



# GOING UTAH'S LABOR SUPPLY FORWARD

Part of evaluating the makeup of the available Utah labor force is quantifying how much labor is out there. In other words, is labor in short or excess supply? There are both broad and narrow answers to these questions. The broad economy may say one thing, but the unique nature of each individual company may dictate a more narrow view that could say something else. For example, Workforce Services hears comments from employers in technology-intensive industries that even in the

face of high unemployment (the state of the broad labor economy) they are still having trouble finding a sufficient quantity of workers with the specific and specialized skills that their industries demand (i.e. a more narrow view). The narrow view does not contradict the broad view (as unemployment is high). It's just that particular industry takes a more narrow view toward labor.

For many businesses, the broad and the narrow views are largely one and the same. This article speaks

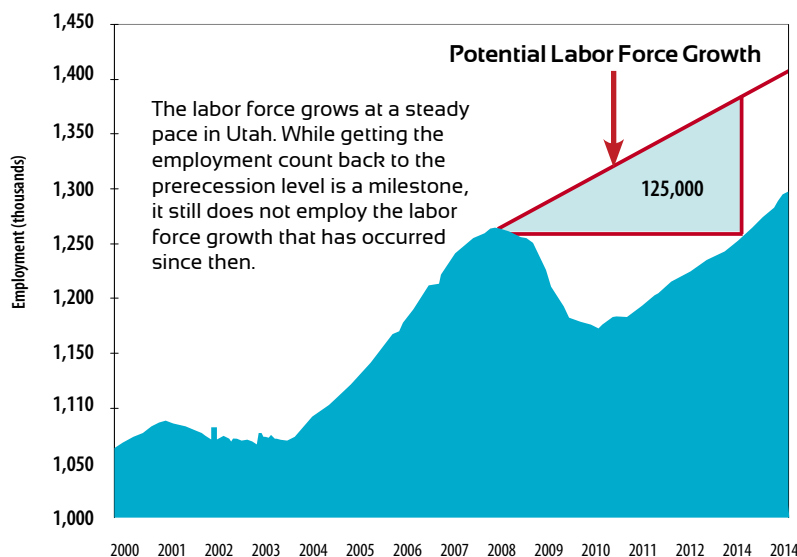
to that group. Labor is currently in excess supply. It is available to a much greater degree than the official 5.7 percent unemployment rate would imply. This is because a portion of the available labor supply has stopped looking for work (a necessary requirement to be counted in the unemployment rate) due to the duration of the recession. In other words, they are currently discouraged by their prospects of getting a job and have become dormant. But when things improve, they will likely return to the labor force.

**THIS ARTICLE speaks to the businesses whose broad and narrow views regarding skills in demand vs. unemployment are largely one and the same.**

## UTAH EMPLOYMENT 2000-2014f

It is expected that over the next two years labor will remain in excess supply. The current payroll employment count of the Utah economy is roughly 38,000 jobs below the state's previous employment peak achieved in early 2008. So it would take another year's worth of average growth to get the payroll employment levels back to the previous peak. But since 2008, the Utah labor force has grown by roughly 25,000 new workers each year. That accumulates to another 100,000 workers on top of the 38,000 worker shortfall still existing from the previous peak employment. And, as the economy tries to close that gap over the next two years with more Utah job creation, an additional 50,000 workers will age into the labor force on top of that.

It is anticipated that job growth during the next two years around the Utah yearly average of 3.1 percent, this could still leave roughly 100,000 potential Utah workers sitting on the sidelines by 2014. It is therefore safe to assume that labor will be in excess supply as the Utah economy expands over the next two years. The quality and skill sets of that labor are a separate issue and an additional story in and of itself. ①



Source: U.S. Bureau of Labor Statistics; March 2012 forecast = Utah Department of Workforce Services

**IT IS SAFE TO ASSUME THAT LABOR WILL BE IN EXCESS SUPPLY AS THE UTAH ECONOMY EXPANDS OVER THE NEXT TWO YEARS.**

DEPARTMENT OF  
WORKFORCE SERVICES